

**31A-28-107 Board of directors.**

- (1)
- (a) The board of directors of the association shall consist of:
    - (i) at least five but not more than nine member insurers who:
      - (A) subject to Subsection (1)(e), serve terms as established in the plan of operation; and
      - (B) are selected by member insurers, subject to the approval of the commissioner; and
    - (ii) two public representatives appointed by the commissioner.
  - (b)
    - (i) The commissioner shall make the appointment of a public representative coincide with the association's annual meeting at which the association's board of directors is elected.
    - (ii) A public representative may not be:
      - (A) an officer, director, or employee of an insurer; or
      - (B) a person engaged in the business of insurance.
    - (iii) Subject to Subsection (1)(e), a public representative shall serve a term of three years.
  - (c) When a vacancy occurs in the membership of the board of directors for any reason:
    - (i) if the vacancy is of a member insurer, a replacement may be elected for the unexpired term by a majority vote of the remaining board members, subject to the approval of the commissioner; and
    - (ii) if the vacancy is of a public representative, the commissioner shall appoint a replacement for the unexpired term.
  - (d) In approving a selection or in appointing a member to the board of directors, the commissioner shall consider, among other things, whether all member insurers are fairly represented.
  - (e) Notwithstanding Subsections (1)(a) and (b), the commissioner shall, at the time of election, reelection, appointment, or reappointment adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board of directors is selected during any two-year period.
- (2)
- (a) A member of the board of directors may be reimbursed from the assets of the association for expenses incurred by the member as a member of the board of directors.
  - (b) A public representative appointed under Subsection (1)(a)(ii) may not receive compensation or benefits for the public representative's service, but in addition to reimbursement under Subsection (2)(a), a public representative may receive per diem and travel expenses established by the board with the approval of the commissioner.
  - (c) Except as provided in Subsections (2)(a) and (b), a member of the board of directors may not be compensated by the association for the member's services.

Amended by Chapter 284, 2011 General Session